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Are Socialists Running Out Of Time?

Socialists are often wrongly criticised for pursuing a “*utopian politics*”. We are not utopians. Socialism is a reasonable and practical proposition. Production will just take place to meet human need within the framework of common ownership and democratic control of the means of production and distribution by all of society. What is utopian about a society of free men and women cooperatively producing together to meet the needs of the entire world’s population?

However, what about our critics? First, there is the utopian dream, held by free market fundamentalists that the market can be made to work in the interests of all society. And, second there is the claim held by the Labour Party that capitalism can be tamed through infinite reforms and regulations. As we look around the world today surely the censure at pursuing utopias should apply equally to the failed capitalism of free markets and free trade on the one hand and a reformed and regulated capitalism on the other. Neither utopia has delivered a social system that meets the needs of all society. Austerity is everywhere. Millions are unemployed, thousands of workers are forced to go to food hand-out centres (GUARDIAN 1st October 2010) and there has been an increase in the suicide rate attributable to the current economic depression (INDEPENDENT 6th April 2012).

Following the failure of free market utopianism and Gordon Brown’s “*No more boom and bust*”, we are told to expect years of austerity and the economic equivalent of a British winter of drizzle, cold, and bitterness. Cameron’s claim that we “*are all in it together*” has been a PR disaster since it demonstrably excludes the capitalist class, many found wining and dining at exclusive Downing Street suppers – known cynically as the £250,000 club. Labour’s reforms were a predictable failure and they left office with unemployment higher than when they first came in; just like all other previous Labour Governments.

As we pass through another year of “*austerity*” – austerity for anyone who is not rich and powerful – it is another year of economic depression and high unemployment. Some 10.9 % are unemployed in the European Union alone, some 13 million people (EUROSTAT May 2012). The inability of capitalism to meet the needs of all society has led to the publication of a stream of books by mainstream economists critical of free market capitalism, for example, the Cambridge economist Ha-Joon Chang’s latest book “23 THINGS THEY DO NOT TELL YOU ABOUT

CAPITALISM” published by Bloomsbury books and Professor Steven Queen’s “DEBUNKING ECONOMICS: THE NAKED EMPEROR DETHRONED published by Zed Books. Even the Tory journalist, Peter MacKay criticised what he understood to be capitalism in his DAILY MAIL column:

The 18th-century Scottish economist Adam Smith said no group of business people met each other without seeking to rig prices and stifle competition. No businessman pays £250,000 to meet the Prime Minister without having worked out how the Government can help him make more money from us (2nd April 2012).

Mainstream criticism of capitalism has not been so pronounced since the 1930’s. But it is a criticism of capitalism without offering a Socialist alternative. The vocal anti-capitalism demonstrators which set up Camp City adjacent to St Pauls Cathedral have been swept away. They produced nothing but an impotent rage. This anti-capitalism was never pro- Socialist. The anti-capitalists were motivated by moral outrage against City bankers and finance institutions not a reasoned assessment of capitalism; the origin of the social wealth enjoyed but not worked for by the capitalist class, the urgent necessity for revolutionary Socialist alternative and new patterns of living without employers and employees.

The fact of life about capitalism is that it is a class divided society; a system of class exploitation based on the private ownership of the means of production and distribution run for the benefit of the capitalist class as a whole And this includes the industrial capitalists like Richard Branson, Rupert Murdoch, Bill Gates and the Mittal brothers not just rich bankers in the City. Such facts of life passed the protesters by. Instead of Socialism they wanted “*justice*” and “*fairness*”.

And when the anti-capitalist protesters were visited by Sir Mervyn King from the Bank of England they received, without criticism, his sermon that economists are doing all they can “*to make capitalism work again*”. Well if these anti-capitalists had known their Marx, they could have told the Governor of the Bank of England that capitalism is working; it is meant to go into periodic economic crises and trade depressions with bankruptcies and high levels of unemployment due to the contradictions within commodity production and exchange for profit. And capitalism only works for the rich. The rich have seen their wealth grow, even in the current economic depression (TIMES RICH LIST April 2012).

They could have reminded Sir Melvyn King what economists are paid to do:

*The task of economics
Is to propagate a bluff
That the poor have too much money
And the rich have not enough.
Anon*

And when capitalism “*hits the fan*”, as it periodically does, the profit system is only working in line with its economic laws even though it means bankruptcy, unemployment and the curtailment of production in the face of human need. Economic crises and trade depression are a fact of life under capitalism and that is why it is quite disingenuous of the Socialist Workers Party and other political parasites who have leeches on to the anti-capitalist movement to hold lectures and conferences under the banner “*Capitalism is not working*” when, quite simply, capitalism is working in the only way it knows how.

The economic laws of capitalism periodically produce crises and depressions. Yes, it produces social problems like high levels of unemployment and social alienation. Yet economic crises correct the contradictions of commodity production and exchange for profit. Within the context of capitalism, periodic crises do their work in bringing the forces of production back in line with the social relations of production. The destruction of value, preventing social wealth from being produced and increasing the industrial reserve army of the unemployed, as Marx noted, is capitalism working in line with its own laws.

Does capitalism have a history?

The denial of capitalism with an origin, history and termination in class struggle, has a long history and was dealt with by Marx as far back at the 1840's. In a letter Marx wrote in 1846 to the Russian literary critic and journalist, P. V. Annenkov he said that the singular mistake held by those defending capitalism was that:

“They all want competition without the pernicious effects of competition. They all want the impossible, namely, the conditions of bourgeois existence without the necessary consequences of those conditions. None of them understands that the bourgeois form of production is historical and transitory, just as the feudal form was. This mistake arises from the fact that the bourgeois man is to them the only possible basis of every society; they cannot imagine a society in which men have ceased to be bourgeois” (p.175).

There is still a majority who cannot imagine a society in which men have ceased to be bourgeois. Many who have come into contact with the Socialist Party of Great Britain do not think the working class are cut out for Socialism. They do not believe the working class can initiate a Socialist revolution. They hold a hopeless pessimism, whinging and whining about the lack of Socialist progress over the last hundred years or so looking for routes through the dead-end politics of anarchism, nihilism, social reforms and Leninism.

We are entitled to question this conservative pessimism. Are we seriously to believe that the capitalist class will hold on to their privilege and private property ownership forever? The proposition being advocated by politicians like Thatcher, Blair, Brown, Milliband and Cameron deny social evolution, social progress and fundamental changes to social relationships. Can a social system freeze into permanent solidity to display no sign of social change and revolutionary movement? Our opponents have a problem. And it is this. There is no historical precedent for their assertion that capitalism is the end of the line. It is a wild belief that is entertained by those who hope or want capitalism to last forever. But just because someone wants capitalism to last forever does not mean that it will. Where is the evidence? The cry of “There is no alternative” is pure conservative dogmatism. Capitalism is not the “best of all possible worlds”. We do not have to live the way we do. There is a Socialist alternative and it is an alternative just a revolution away.

Are Socialists running out of time?

What of those critics who have said that Marx's prediction for Socialism has been refuted by the passage of time? These critics also say that even the SPGB has been around for over a century and there are not many more socialists today than there was when the Party was first established. Hasn't the passage of time refuted the Socialist case against capitalism? Is it not the case that the working class are not cut out for socialism? At what point are we going to give up? We give up our revolutionary politics the second Socialism is established.

Marx never gave a specific time for the establishment of Socialism. Neither has the Socialist Party of Great Britain. We have not said that Socialism will be established on the 1st of January 2100. We are not millenarians. What we do say is that Socialism cannot be established until the majority of the working class are prepared to take conscious and political action to establish common ownership and democratic control of the means of production and distribution by all of society. We are not obliged to give a timetable for the establishment of Socialism. The Socialist case against capitalism is sound and valid while capitalism continues to exploit the working class and ensures workers lead a life stamped with the hall mark “*second best*”.

If capitalism was around in a century's time or even in 2600 are we to conclude that Socialism will still not be necessary? For if capitalism is still around in 2600 so will the social problems of war, unemployment and poverty, so will the exploitation of the working class and the class struggle and so will class power and class privilege. Or are those who cannot see Socialism in the foreseeable future proposing that Socialists should be doing something else or that capitalism will eventually solve the problems of world poverty, war and unemployment? If that is the case Socialists think we should be told and shown how this is possible. Such critics contribute to the dark conservatism that has tried to close any horizons beyond capitalism.

Our critics lack the confidence and imagination to think in terms of history and revolution. Their dogmatism is part and parcel of a current corrosive conservatism that denies that there is anything beyond capitalism and the profit system. We should recall the words of Lothair (795-855), emperor to the Holy Roman Empire, which was to run on

for another 1000 years; “*All things change and we change with them*”. The feudal remnants of the Holy Roman Empire perished with the First World War nevertheless Lothair’s observation is applicable to capitalism as it is to all class social systems.

THE BISHOPS AVENUE: NO AUSTERITY HERE.

There are parts of Britain where there is no “*austerity*” and the residents are certainly not “*in it all together*” with the working class upon whose exploitation their unearned income rests. And one oasis of tranquility populated by the rich and powerful is The Bishops Avenue in London. Wikipedia gives us the facts:

The Bishops Avenue: *Average property prices on the avenue surpassed £1 million (US\$2 million) in the late 1980s and each property occupies a 2-3 acre plot. In 2006, the smallest houses in the street were selling for £5 million (US\$10 million) while a larger house, Turkish tycoon Halis Toprak's 30,000 sq ft (2,800 m2) mansion, sold amidst great secrecy to the President of Kazakhstan, for £50 million (US\$100 million) in January 2008, making it one of the most expensive houses in the world, as listed by Forbes Magazine. It is named after the Bishops Wood through which it runs, formerly owned by the Bishop of London (as was much of the surrounding area) following a land grant in 704. In 1894 the Church of England let building plots for construction of homes on the road. In the 20th century much of the land was sold by the Church, which now only owns one house on the road... The road is a favourite with the international 'über-rich' and is often referred to by its nickname of "Millionaire's Row" (although recently, it has been referred to as "Billionaire's Row").... Ten of the houses are owned by the House of Saud, whilst other notable owners of houses on the street include the Sultan of Brunei, publisher and newspaper magnate Richard Desmond (owner of two houses) and industrialist Lakshmi Mittal. The road was repeatedly mentioned in Elton John's 1988 reworking of Give Peace a chance ("Why not talk about Bishop's Avenue/I've got a lovely house on Bishop's Avenue") and the area's leading estate agent Trevor Abrahamson was quoted in 2006 as saying: "Among the wealthiest circles in the world, The Bishop's Avenue is better known than Buckingham Palace. It's a significant demonstration of status. If you live there, you don't need to explain to people that you're rich."*

There is no austerity in The Bishop’s Avenue. And there is no working class living there except for the transient cleaners, nannies, chauffeurs, estate agents, butlers, gardeners, maids and cooks serving the rich and powerful. The Bishop’s Avenue; a metaphor for the wealth and privilege of the capitalist class, is a sunshine road, safe from the rain, ice and bleakness the rest of us have to live our lives under capitalism. As for the working class, there is one ray of sunshine in the bleak and austere landscape that passes for their existence as exploited wage slaves. The cynic Logan Pearsall Smith once wrote over a century ago; “*The wretchedness of being rich is that you have to live with rich people*”. Of course, that is until the establishment of Socialism.

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Some Thoughts on Socialism

Why does The Socialist Party of Great Britain say that poverty will be abolished with the establishment of socialist society?

Well to start with, in Socialist society, there will be no wages, no profits, no rent, no interest, in short, there will be no money income. There will be no people having unearned incomes from rent, interest and profit, because they will not own property. There will be no buying and selling, therefore no money system, and no price system. As nobody will have any money income, it will not be possible for anybody to be richer or poorer than anybody else. And remember the basis of socialist society will be that people will have free access.

You are entitled to say how can you have free access? Where will the goods and services come from, come into existence, so that the population can have free access to them, the food, clothing, shelter and all the rest of their requirements? Well, the whole of the population will get them by taking them out of the communal store.

And how will they get there? They will get there because members of society will cooperate together to produce them. And Socialists say, emphasis will be on the basis of free access. People will take what they need and they will not have either pay for them, or give anything else in return for them.

However, this is not an easy task. Far from it. To set up conditions of free access will be the greatest problem for socialist society will have to face.

Karl Marx wrote long ago, that the first task of a socialist society, will be to increase production, as much, and as quickly as possible, and it is still true today as it was when Marx made this statement in the 19th century.

When, the preliminary necessary work has been done, and when a Socialist majority takes over the machinery of government and the armed forces to be converted “*from an instrument of oppression into the agent of emancipation*”, and starts setting about establishing Socialist society, their first task will be, to increase enormously, and as fast as they can, the useful goods and services that society will need.

Now some people have fallen into the elementary error that under capitalism, enough is already produced, for Socialist society to operate. It’s a dangerous illusion, based upon a complete misconception of capitalism. These people look around them, and they see, from time to time, that different capitalist industries produce more, produce an un-saleable surplus. They produce too many ships, and can’t sell them; they produce too much coal and can’t sell it.

Capitalists never allow the workers to produce in their industry more than they think they can sell at a profit, and if they do produce more than they can sell at a profit it’s a miscalculation, as far as the capitalist class is concerned.

Fredrick Engels, Marx’s colleague put it very well, he said:

“too little is produced, that is the cause of the whole thing... But why is too little produced? Not because of the limits of production.... The limits of production are determined, not by the number of empty bellies, but by the number of persons able to buy and to pay” (Letter to F.A. Lange, SELECTED CORRESPONDENCE OF MARX AND ENGELS, page 199).

That is what the capitalists are allowing production to go on for; they are allowing the workers to produce in every industry, the amount the employers think they can sell at a profit, that is, to the people who can purchase and are able and willing to pay.

But Marx added to this. Capitalism never has produced, enough, to meet decently and humanly, the needs of the mass of the population. It is still just as true now as when Marx said it. Socialists say that capitalist industry never intentionally produces more than it can sell at a profit, if inadvertently it does; it immediately cuts down production, and it doesn’t go on producing things that it can’t hope to sell.

But there is one exception. Capitalists cannot see in advance what will be the outcome of their agricultural activities, they never know whether, for natural reasons, that next year’s crop will be a total failure, or will be a bumper crop.

If they get bumper crops, two or three years running they will in any event run into this difficulty where they’ve got an un-saleable surplus, and, in time, of course, these un-saleable surpluses do get used because the farmers go bankrupt and other competing capitalists buy up the surplus stock at below production cost.

But there is a general exception to all of this, and that is, that government, for political, or military reasons, or for both, literally, pay, different industries to produce more than they can sell at a profit.

In 1915 for example, under the Corn Production Act, the Government said to the farmers, in this country, you can produce absolutely as much as you like, we will guarantee your profits of everything that you can produce, we will subsidize your production, and they attached one condition to it, they said to the farmers, you will also have to pay a minimum wage to agricultural workers because we want to attract workers out of other industries into agriculture,

because the country is desperately short of food.

Let's fast forward on to 1921 when the war was over. The Government abolished the Corn Production Act, took away the subsidies from the farmers, and for several years they let agriculture, so to speak, stew in its own juice.

But governments do this sort of thing all the time. In the US, and Europe, this country and others; for example; governments stockpile warehouses with strategic materials. There in excess of what the capitalists could sell at a profit, but this meets the political and military needs of capitalism.

The first task of Socialist society will be, as Marx said, to produce more as rapidly as possible. Socialism will not be fully functioning until it is able to offer free access, that is, until Socialist society is able to offer to all persons all they reasonably need to live worthwhile lives.

In other words, everywhere in the world where people live, there shall be available, all the requirements of civilized living, in sufficient quantities, enough good food, clothing and shelter, water and sewage systems, means of transport and communications, hospitals, education services, libraries, newspapers, books, entertainment facilities and so on.

Marx had this in mind when he said that Socialist society will meet peoples' needs decently and humanely.

To suggest that this level of production already exists all over the capitalist world is pure fantasy, divorced from all reality. It is a very dangerous policy to hold. Production and construction cannot be switched on and off like an electric switch. It takes time to train specific labour and move them to where they are needed.

The level of production to meet the needs of people does not exist in the industrialized countries, let alone in the rest of the world. Capitalism deliberately underproduces and it will be Socialism that will release the full potential of the productive forces including social labour. However, that release of creativity will take time and to deny that this is so, is utopianism.

So Socialism's first task, when a socialist majority has obtained power and established common ownership and democratic control of the means of production and distribution by all of society, will be to increase the production of useful goods and services as quickly, and in as large a quantity as possible.

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What We said and When

***Introduction:** You will see that all the quotations arise from our 1986/87 Lecture Series, when we dealt with some of the more basic aspects of the case of the Socialist Party of Great Britain.*

It was suggested and generally agreed, that all the documents we collated in September 1987 should be published as part of our written propaganda. It is not a pamphlet as usually recognised, but the quotations are invaluable to the socialist in combating the erroneous ideas of our opponents.

Many of the quotations are from early columns of the Socialist Standard and S.P.G.B. pamphlets are no longer available to many of our readers in their original format. They do show that our analysis of the capitalist system has proven correct over the years, and that our Principles are as valid today as when they were written in 1904.

February 1995

WAR & THE WORKING CLASS

Lecture 16th November 1987

WHAT WE SAID AND WHEN

We who are Socialists are all in favour of peace, but at the same time we recognise that so long as men live in societies based upon class opposition, in societies in which the modes of producing the material sustenance of man are monopolized by a class, so long will war be rife as a means of satisfying national disputes (SOCIALIST STANDARD, January, 1905).

The prime purpose of the ruling class in capitalism everywhere is to preserve the private property system. When democracy seems to be the way to preserve it, then democracy is the slogan; but if and when dictatorship seems to be required then they are for dictatorship. It is the fate of the capitalist class that they have to handle an insoluble contradiction. They have a common interest in preserving the private property system and the exploitation of the propertyless working class, but also have sectional rivalries which make individual capitalists and national groups come into violent conflict with each other. Compete they must, even to the point of "total war", but they must also see that war does not endanger the capitalist system itself (SOCIALIST STANDARD, January 1945).

War can solve no working class problem. It cuts across the fundamental identity of interest of the workers of the world, setting sections of the class at enmity with each other.in the interests of sections of the capitalist class. It elevates force into the position of arbiter in place of common human desire for mutual peace and happiness (Pamphlet: THE SOCIALIST PARTY AND WAR 1950).

WHAT THEY SAID AND WHEN

We did not conquer India for the benefit of the Indians. I know it is said at Missionary meetings that we conquered India to raise the level of the Indians. That is cant. We conquered India at the outset for the goods of Great Britain (Lord Brentford, Tory Home secretary, 1924-28. Speech reported in the DAILY NEWS, 17th October, 1925).

CLEARLY the Government must make up their minds what is their objective in relation to foreign trade. Is it to recapture our lost markets, no matter where they are...or are we to allow Germany, by the employment of questionable devices to prevent this country from re-establishing herself in foreign markets? (Emmanuel Shinwell. Labour M.P. HANSARD. June 9th, 1939).

I have heard speeches sometimes that suggested that all international problems could be solved if only we could get a few people sitting around the table and discussing them. Believe me; the thing is not as easy as that (Clement Attlee. Labour Prime Minister, Labour Party Conference report. 1945).

It is very difficult to say what the causes of war are. Some say they are economic; some say it is traditional ambition; some say that some nations get it into their head that the only way that they can get prosperous is by domination. Well, to my mind, it is a combination of all three. Ernest Bevin, Labour Party Leader and Foreign Secretary, Labour Party Conference Report, 1945).

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The New Scramble for Africa

At the end of the 19th century there was a scramble for African resources and land by the capitalist nations of Europe. Over a century later there is now a new scramble for Africa. There is no mystery to why a new scramble for resources in Africa is taking place because all over the world there is a struggle by competing nation states for raw resources, the protection of trade routes and establishment of spheres of strategic and political influence. And there is

continuing competition and conflict between China and the US for African oil and access to other raw resources both countries are desperate to secure for themselves

The competition for resources between nation states takes place because we live in a world-wide capitalist social system based on the class ownership of the means of production and distribution in which social wealth is produced as commodities by propertyless wage workers to be sold with a view to profit. Capitalism is a class society with a privileged minority living off the labour of an exploited majority working class. Capitalism exists equally in the US as it does in China and Africa.

The Socialist Party of Great Britain holds a powerful case against capitalism; that it is a “*fetter on production*”, it is a system of class exploitation, it causes all the social problems faced by the working class and human needs are only met under capitalism to the extent they can be paid for. Workers, the real wealth creators in society, are forced to live off wages and salaries and what workers receive is limited by the rationing imposed by the wages system. For billions of others locked out of markets because they are subsisting on a few dollars a day it means absolute poverty, starvation and often death. This is the lot of millions of men, women and children in Africa.

The problems of the working class are the last thing on the minds of US and Chinese politicians and oil companies as they compete for oil around the continent of Africa. In fact, the scramble for oil and raw resources is not new and it is useful to place China’s involvement in the African continent into a historical perspective; namely the “*scramble for Africa*” in the 19th century. Capital shapes the world in which we live and it has been doing so for hundreds of years.

For centuries, beginning with the slave trade, Western capitalism has systematically exploited the African continent. In fact Marx had viewed the rape of Africa as one of the principal generators of primitive accumulation by:

“...the turning of Africa into a commercial warren for the hunting of black skins” that “signalled the rosy dawn of the era of capitalist production” (Karl Marx, CAPITAL VOL I (New York: Vintage Books, 1977 p. 915)

But the abduction and enslavement of millions of Africans was only the start. In the late nineteenth century, in what became known as the “*scramble for Africa*,” the continent was arbitrarily carved up into colonies by the leading European powers, which violently subjected tribes and plundered the continent of its rich natural resources.

Why?

Here is the 19th century imperialist Cecil Rhodes’ answer to this question:

We must find new lands from which we can easily obtain raw materials and at the same time exploit the cheap slave labour that is available from the natives of the colonies. The colonies would also provide a dumping ground for the surplus goods produced in our factories...In order to save the forty million inhabitants of the United Kingdom from a bloody civil war; our colonial statesmen must acquire new lands for settling the surplus population of this country, to provide new markets... The Empire, as I have always said, is a bread and butter question (quoted from R. Dumont and N. Cohen, THE GROWTH OF HUNGER: A NEW POLITICS OF AGRICULTURE. Marion Boyars, London 1980)

British capitalism then and Chinese capitalism now! *Plus ca change.*

In the post-independence eras, African states became pawns in the world economy, subject to Cold War rivalries, their path to development as autonomous capitalist nation states largely blocked by their debilitating colonial past. Dictatorships replaced dictatorships; corruption and theft enriched the indigenous ruling class while, war, famine and death was a common feature for the rest of society.

Here are the Facts of life for the continent of Africa from an organisation **food4africa**:

- * 315 million people – one in two of people in Sub Saharan Africa survive on less than one dollar per day
- * 184 million people – 33% of the African population – suffer from malnutrition

- * During the 1990s the average income per capita decreased in 20 African countries
- * Less than 50% of Africa's population has access to hospitals or doctors
- * In 2000, 300 million Africans did not have access to safe water
- * The average life expectancy in Africa is 41 years
- * Only 57% of African children are enrolled in primary education, and only one of three children complete school
- * One in six children dies before the age of 5. This number is 25 times higher in sub-Saharan Africa than in the OECD countries
- * Children account for half of all civilian casualties in wars in Africa
- * The African continent lost more than 5,3 million hectares of forest during the decade of the 1990s
- * Less than one person out of five has electricity. Out of 1.000 inhabitants 15 have a telephone line, and 78 out of 1,000 people surf on Internet.

<http://www.food4africa.org/index.asp?pgid=42>

Africa remains a continent abundant in natural resources which could be used to meet the needs of all society, but these resources manage to enrich only a handful of African rulers and foreign capitalists, which now includes capitalists from China and India.

As Marx and Engels noted in the COMMUNIST MANIFESTO:

The bourgeoisie has through its exploitation of the world-market given a cosmopolitan character to production and consumption in every country...it creates a world after its own image

And that image is exploitation, plunder, death and destruction on a truly global scale. For the population of Africa it means continued civil war, abject poverty, plunder, dictatorship, violence and hardship. However the world's working class does not need to exist in a world created after capitalism's own image. The working class needs to retain a cosmopolitan character to production and consumption in every country but without the bourgeoisie and its coercive State.

What needs to replace the new scramble for Africa is the establishment of Socialism; the establishment by a Socialist majority throughout the world of the common ownership and democratic control of the means of production and distribution by all of society.

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Chinese Capitalism and Africa

Following the economic reforms in the late 1980's China-Africa trade has grown from \$6bn (3.75bn) in 1999 to more than \$90bn (£56bn) in 2009, roughly split equally between imports and exports: Africa's natural resources – oil, iron, platinum, copper, and timber – flowing east to feed China's factories, and finished goods, from flip-flops to trucks, travelling the other way. Each year Beijing provides billions of pounds in grants and loans to African governments to secure raw material deals or to finance infrastructure projects that could benefit its companies.

Western anxieties over the relationship between China and African countries were highlighted by WikiLeaks's recent release of a US embassy cable in which Johnnie Carson, the US assistant Secretary of State for African affairs, said:

China is a very aggressive and pernicious economic competitor with no morals. China is not in Africa for altruistic reasons. China is in Africa for China primarily.

He could, of course, be describing the US or any other capitalist nation. The memo warned of: "tripwires", asking:

Is China developing blue water navy? Have they signed military base agreements? Are they training armies? Have

they developed intelligence operations? Once these areas start developing then the United States will start worrying.

But are the Chinese Colonists behaving in the same way that the European Nation States were in the 19th century? When you look at the numbers of Chinese companies operating in Africa, you could say yes. Chinese capitalism is colonising parts of Africa and setting-up businesses in a similar manner to the European powers of the nineteenth century.

African governments have defended the ties between African States and China. On a recent state visit to Beijing, Jacob Zuma, the South Africa president, said:

China is there discussing with the brothers and sisters in Africa to create a mutually beneficial kind of relationship ... different from former Western colonialists [who simply took] things by force (GUARDIAN 24th 2010).

Of course, the “*mutually beneficial kind of relationship*” Jacob Zuma has in mind is the enrichment of himself and his class. The working class in South Africa will continue to live in exploitation, squalor and poverty.

The scramble for Africa now includes India.

The scramble for Africa now includes Indian capitalism.

In 2010, India’s Prime Minister, Manmohan Singh accompanied by dozens of business leaders held trade talks in Ethiopia as India tried to catch up with China. The Prime Minister led a trade delegation to an economic summit in Addis Ababa to increase Indian capitalism’s presence on the African continent.

Bilateral India-Africa trade has grown from about £620m (\$996) in 2001 to £28.5bn (\$46bn) in 2010. India's aim is to reach £43bn (\$69bn) by 2012. Some 250 Indian companies have invested in African countries, mainly in telecommunications and chemical and mining businesses.

But India remains about a decade behind Chinese capitalism in investing in Africa. China says its two-way trade stands at £75bn (\$129bn), a 43.5% increase on the previous year, and up from just £620m (\$996) in 1992. Chinese companies have built roads, bridges, railways and power stations in return for access to cheap labour power, markets and resources.

The fierce competition between Chinese and Indian capitalism for resources, minerals and food to meet the demands of their respective economies is not so dissimilar to the first scramble for Africa in the late 19th century.

According to a report in the GUARDIAN:

India is especially focused on energy. The country imports 70% of its oil and has turned to new suppliers such as Nigeria, Sudan and Angola to reduce its dependence on the Middle East. It also needs uranium for its ambitious civil nuclear programme (23rd May 2011)

Capitalism, Chinese style

Chinese capitalists treat the continent of Africa as though it was the Wild West –a Wild West Capitalism as it were. Sinopec, an oil firm, has explored in a Gabonese national park and another state oil company has created lakes of spilled crude oil in Sudan.

Workers employed by Chinese companies at times fare little better than the environment.

At Chinese-run mines in Zambia’s copper belt workers must work for two years before they get safety helmets. Ventilation below ground is poor and deadly accidents occur almost daily. To avoid censure, Chinese managers bribe union officials while difficult shop stewards are sacked and workers who assemble in groups are violently dispersed

– the beating of workers is common.

Tensions came to a head in 2010 when miners in Sinazongwe, a town in southern Zambia, protested against poor conditions. Two Chinese managers –who were most probably workers themselves - fired shotguns at a crowd, injuring at least a dozen.

This has not stopped the workers striking for higher pay and better working conditions. About 2,000 Zambian workers at NFC Africa Mining, majority-owned by China Nonferrous Metals Mining Corporation, went on strike in October 2011 for better pay and working conditions.

In the South African town of Newcastle, Chinese-run textile factories pay salaries of about \$200 per month, much more than they would pay in China but less than the local minimum wage. Unions have tried unsuccessfully to shut the factories down but the Chinese employers point out that many South African firms also undercut the minimum wage, which is too high to make production pay. Without the Chinese, unemployment in Newcastle would be even higher than the current 60%. Workers say a poorly paid job is better than none; highlighting the Socialist argument that minimum wage legislation rarely works.

Tens of thousands of “*frontiersmen*” from China have moved out across the continent. Sanou Mbaye, a former senior official at the African Development Bank, claims more Chinese have come to Africa in the past ten years than Europeans in the past 400 –there is supposed to be 1 million Chinese workers in the continent of Africa. First came Chinese workers from state-owned companies, but more and more arrive individually or stay behind after finishing contract work. A recent Chinese government survey of 1,600 companies shows the growing use of Africa as an industrial base. Manufacturing’s share of total Chinese investment (22%) is catching up fast with mining (29%).

Governments in Africa have courted Chinese investment to secure lucrative deals with the indigenous ruling class. Some countries made industrial investments a precondition for resource deals. In Ethiopia two out of three resident Chinese firms are manufacturers. Yet the Chinese did not need much encouraging. The continent—soon to be ringed with Chinese free-trade ports—is a stepping stone to a commercial presence around the globe.

To this end, the government in Beijing is encouraging all sorts of activity in Africa. Construction is a favourite, accounting for three-quarters of recent private Chinese investment in Africa. The commerce ministry recently said that Chinese companies are signing infrastructure deals worth more than \$50 billion a year. For investment in African farming, China has earmarked \$5 billion of investment.

Perhaps the most significant growth in Chinese activity has been in finance. Industrial and Commercial Bank of China has bought 20% of Standard Bank, a South African lender and the continent’s biggest bank by assets, and now offers renminbi accounts to expatriate traders. Other mainland banks have opened offices too, and from their sleek towers they make collateral-free loans to Chinese companies.

In just a few years China has become the most aggressive investor-nations in Africa. This commercial invasion is without question the most important development in the sub-Sahara since the end of the Cold War that is redrawing the global economic map. One former U.S. assistant secretary of state has called it a “*tsunami*.” Some, like THE ECONOMIST, are even calling the region “*ChinAfrica*.”

There is already more Chinese living in Nigeria than there were Britons during the height of the empire. From state-owned and state-linked corporations to small cockroach capitalists, the Chinese are investing across the continent bringing with them as many as 1 million Chinese workers to build and run the facilities.

Whether it is indigenous African workers or workers from China the social wealth being created is coming from workers’ exploitation; the generation of surplus value realised as profit when the commodities are sold on the market.

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The Politics of Oil

In a recent paper *China's Oil Rush in Africa (2006)* published by the Institute for Global Security (IAGS), a Washington based think tank, the US has become increasingly alarmed at the impact of China's investment in Africa to meet its own oil demands.

The Institute offers advice to US Government agencies on energy security. Many of its authors have military backgrounds. The author of the report on the threat of Chinese capitalism to US oil interests was Cindy Hurst a political-military research analyst with the Foreign Military Studies Office and an officer in the US navy reserve (<http://www.iags.org/chinainafrika.pdf>)

The United States, at present the largest world economic and military power, consumes a quarter of the world's oil but possesses only 3 per cent of the world's proven oil reserves. West Africa alone has 15 per cent of the world's oil, and by 2015 is projected to supply up to a quarter of U.S. domestic consumption.

U.S. oil imports from Africa-which come mostly from Nigeria and Angola, but also from Chad, Congo (Brazzaville), Equatorial Guinea, and Gabon - surpassed those from the Middle East for the first time in 2007.

China, meanwhile, is also heavily involved in the new scramble for Africa, driven to seek reliable sources for oil by its own growing domestic needs. China's oil consumption has doubled in a single decade, and oil imports now comprise more than 40 per cent of its total oil consumption. By acquiring the Canadian company Addax Petroleum in August 2009, China Petrochemical Corporation SINOPEC acquired a number of petroleum exploration and production licenses in Nigeria. A few months later, the Chinese National Offshore Oil Corporation (CNOOC) offered Nigeria \$50 billion to acquire the state shares in twenty-three licenses that are operated by European and US companies (Royal Dutch Shell, Total, Eni/Agip, ExxonMobil and Chevron). The Chinese goal is to tap into the African market and compete with the Western firms as any capitalist country does (www.afriqueavenir.org/en/2010/06/23/rise-of-african-oil-production).

There is intensifying global competition for control of oil and gas production and supply. Worldwide, a new generation of mainly state-owned companies, such as China's CNPC, Saudi Arabia's Aramco, Russia's Gazprom, Venezuela's PDVSA, and Iran's NIOC now control one-third of the world's oil and gas reserves and production, while the major Western companies; ExxonMobil, Chevron, BP, and Royal Dutch Shell control just one-tenth of production, and only 3 per cent of reserves. This intense competition for resources was spelt out in a recent paper by the academic, David Goldwyn:

Africa plays a strategic role in U.S. and global energy security. It is a critical supplier of new source production to global and U.S. oil supply. It is a natural gas supplier, with enormous potential to meet increased future demand in a carbon constrained world. Africa remains open to foreign investment and is one of the few continents that have not dramatically reduced access to investment in recent years. If the continent meets its potential, it may increase its production dramatically over the next two decades, serving as a pillar of global energy security by providing a major source of diverse oil and gas supply. The risk of instability in many of Africa's key energy producers is high and rising, posing a threat to the stability of these nations and their neighbours, as well as U.S. investment and the global economy (Pursuing US Energy Interests. http://csis.org/files/media/csis/pubs/csis_africa_review-energy_prepub_draft.pdf)

The dependence of the United States and other developed nations on oil from developing countries is only going to increase during the 21st century creating tensions and conflict. 90 per cent of new supplies will come from developing countries in the next 40 years. That marks a big shift from the past 30 years, when 40 per cent of new production came from industrialized nations.

Thus the new scramble for Africa is a struggle between major competing national powers for control of potential and

actual energy sources and profits at a time when they control fewer resources themselves. The race is all the more important given that conflicts and tensions in other energy-rich areas such as Iran and Venezuela. In the coming decades the US directly or indirectly through its proxy states, like Israel, will engage in conflict with Iran and are no doubt working on “*regime change*” in Venezuela.

The interest in African oil on one level is nothing new. As Exxon states in its publicity hand-outs, the company has been in Africa for a century while Nigeria has been an exploration hub for the continent for decades.

The Horn of Africa has also been the site of Western corporate investment for a number of years where Western companies including Conoco-Phillips, Chevron, and Total held Somali exploration concessions before the country slid into civil war in 1991. But interest in East African oil has become more pronounced over the past twenty years or so. To date, Tanzania has licensed at least 17 international companies exploring for both offshore and onshore energy sources in the country. Firms that hold exploration blocks in Tanzania are Oslo-listed Artumas Group Inc (AGI), France's Maurel & Prom, Norway's Statoil, Royal Dutch Shell, Petrobras of Brazil and UK's Aminex.

Petrobras alone has invested \$11 million in Tanzania, and plans to spend another \$14 million to develop Mtwara port. Tanzania's government puts the east African country's proven natural gas reserves at 7.5 trillion cubic feet. *"Oil remains the prize in off-shore East Africa. Gas has been found but no commercial oil has been found yet despite increasing evidence for its potential presence,"* said Mr Mike Rego, exploration director for Aminex, which is active in the area (<http://www.thecitizen.co.tz/sunday-citizen/41-sunday-citizen-business/16825-africas-oil-scramble-heads-east.html>).

Despite its continued instability, Somalia is now seen as a likely country for investment for oil exploration as the rush is on to get there first; the US and Britain or China. The Somali Prime Minister, Abdiweli Mohamed Ali, speaking to the *Observer* after meeting Hillary Clinton and David Cameron at the London Somalia Conference recently, said that in the future a share of natural resources would be offered in return for help with reconstruction (GUARDIAN 25th February 2012).

Increasing oil and raw material prices have produced a boom in some African countries, as well as a marked jump in foreign investment, especially by Western and Chinese capital. By 2005, foreign direct investment had almost tripled over the previous five years. ExxonMobil has recently developed the Chad-Cameroon pipeline that runs through war-torn areas in Central Africa, the largest single investment in Africa. ExxonMobil, the world's biggest oil company, invests 22 per cent of its capital expenditures in Africa, and gets 30 per cent of its oil from Africa. Nigeria has been identified as one of the key destinations in West Africa, Exxon Mobil Corporation has recently set out a \$185billion investment plan over the next five years in Nigeria alone (PREMIUM TIMES April 5th 2012).

Angola, received a \$902 million tender in 2007 from Eni, the Italian oil company, to secure the rights to drill offshore, one of the highest fees ever paid by an oil company and its current equity production is approximately 130,000 barrels of oil equivalent per day (ZACS INVESTMENT 23rd November 2011). And the US oil company Chevron recently announced a \$1.9 billion investment for the exploration of 70 million barrels from the shared Angola-Congo cross-border Lianzi field in north-western Cabinda province and south of Brazzaville (ANGOLA PRESS 1st March 2012).

In an interesting article, "*Africa: Next U.S. oil war venue*" published in BLACK STAR NEWS (April 17, 2007), the journalist Bruce Dixon wrote:

The Pentagon does not admit that a ring of permanent US military bases is operating or under construction throughout Africa. But nobody doubts the American military build-up on the African continent is well underway. From oil rich northern Angola up to Nigeria, from the Gulf of Guinea to Morocco and Algeria, from the Horn of Africa down to Kenya and Uganda, and over the pipeline routes from Chad to Cameroon in the west, and from Sudan to the Red Sea in the east, US admirals and generals have been landing and taking off, meeting with local officials.

And he went on to say:

They've (the military) conducted feasibility studies, concluded secret agreements, and spent billions from their secret budgets. Their new bases are not bases at all, according to US military officials. They are instead "forward staging depots", and "seaborne truck stops" for the equipment which American land forces need to operate on the African continent. They are "protected anchorages" and offshore "lily pads" from which they intend to fight the next round of oil and resource wars, and lock down Africa's oil and mineral wealth for decades to come.

The 21st century scramble for Oil in Africa may not necessary end in armed conflict between the leading capitalist powers like the US and China although client states continually collapse into civil war. Conflict exists throughout Africa due to either competition between one ruling group being beneficiaries of investment money from client States to the exclusion of the other or struggles to hold land rich with mineral reserves and oil in order to sign deals with China or western Capitalism.

The world's resources should not be the preserve of a minority. Africa has the potential to provide sufficient food, housing and general welfare for its inhabitants. The impediment preventing the needs of Africa from being met is capitalism, national capitalist rivalry over the world's resources and the profit motive overriding human need. The problems of the people of Africa are bound up with the problems facing the world's working class. And the cause of these social problems comes from the private ownership of the means of production by the capitalist class. To replace the anti-social objective of profit-making with the Socialist objective of production for use requires, first, conscious political action not only in Western Europe and the US but in China and Africa too.

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The Abolition of Money

The Cash Nexus

Contrary to the moralizing of DAILY MAIL editorials, the whining sermonizing of priests and the empty rhetoric of the capitalist Left, there is no intrinsic "*greed*" associated with money making either by capitalists generally or by City bankers in particular. It was the sentimental Tory, Thomas Carlyle who once remarked that capitalism's "*morality*" was a "*cash nexus*" in which all social relationships were reduced to monetary gain. Marx and Engels were to throw Carlyle's remark back at the Capitalist class when they wrote:

It [the bourgeoisie] has pitilessly torn asunder the motely feudal ties that has bound man to his "natural superiors" and left remaining no other nexus between man and man than naked self-interest, than callous "cash payment" (COMMUNIST MANIFESTO 1848).

Making vast amounts of money or, as Marx put it: "*the accumulation of capital for accumulation's sake*", is just the normal behaviour to be expected of capitalists in a competitive and profit-making economy. Marx went on to say: "*To accumulate is to conquer the world of social wealth*" (CAPITAL VOLUME 1, Ch. 24, p. 592). And that is precisely what capitalists try to do. The aim and compelling motive of capitalist production and exchange is the self-expansion of value, the making of money to reinvest and accumulate anew. Profit is not a "*dirty word*"; it is the *alpha* and *omega* of capitalism.

Making profit, amassing capital and being obsessed with creating more money than when initially invested is forced upon capitalists by the pain of competition. To remain capitalists they have to behave as capitalists and this is reflected in the values of the social system where the amount of money or lack of it defines someone as a success or failure. In capitalism "*greed is good*".

Marx and the Power of Money

Money under capitalism gives the owner power. In a trivial way owners of money can buy commodities. The more money the greater amount of commodities can be bought.

However, under capitalism, the owner of capital as money can buy the labour power of others. He can buy and exploit the ability to work owned by the working class. He can make money-capital more than his original investment. The illusion of money breeding more money is in fact no more than the working class producing a greater amount of value than they receive back in wages and salaries. Under capitalism they are the golden goose.

Having money capital gives the capitalist class power. Marx commented on the power of money early on his adult life:

Marx made the following comment on the power of money:

The extent of the power of money is the extent of my power. Money's properties are my – the possessor's – properties and essential powers. Thus, what I am and am capable of is by no means determined by my individuality. I am ugly, but I can buy for myself the most beautiful of women. Therefore I am not ugly, for the effect of ugliness – its deterrent power – is nullified by money. I, according to my individual characteristics, am lame, but money furnishes me with twenty-four feet. Therefore I am not lame. I am bad, dishonest, unscrupulous, stupid; but money is honoured, and hence its possessor.

And he went on to conclude:

Money is the supreme good; therefore its possessor is good. Money, besides, saves me the trouble of being dishonest: I am therefore presumed honest. I am brainless, but money is the real brain of all things and how then should its possessor be brainless? Besides, he can buy clever people for himself, and is he who has power over the clever not more clever than the clever? Do not I, who thanks to money am capable of all that the human heart longs for, possess all human capacities? Does not my money, therefore, transform all my incapacities into their contrary? (THE ECONOMIC AND PHILOSOPHICAL MANUSCRIPTS OF 1844 Marxist.org)

Money has its origins in the development of the exchange of commodities but also represents a social relation of production. Marx showed that:

All the illusions in regard to the monetary system are due to the fact that money is not regarded as something representing a social relation of production, but as a product of nature endowed with certain properties (Marx, A CRITIQUE OF POLITICAL ECONOMY, Chapter 1, The Commodity, p. 31 Chicago 1918).

And Marx dismissed the shallow analysis of money made by the economists:

The modern economists, who sneer at illusions of the monetary system, betray the same illusion as soon as they have to deal with higher economic forms, as, e.g., capital. It breaks forth in their confession of naïve surprise, when what they have just thought to have defined with great difficulty as a thing suddenly appears as a social relation and then reappears to tease them again as a thing, before they have barely managed to define it as a social relation (loc it p. 31).

The Ascent of Money?

Economists ignore the social role of money and treat it as merely a technical function within circulation. And this would include the celebrity television superstar, Tory historian and economic pundit, Niall Ferguson. In his book THE ASCENT OF MONEY (2008), Ferguson has written hundreds of pages on the question of money without once understanding his subject matter.

Obsessed with the development of money from shells to the electronic transactions of modern capitalism, Professor Ferguson fails to grasp that money represents definite social relations between people not just metallic material and bits of paper. In his analysis of money Ferguson gets no further in an understanding of money than the 19th century

anarchist Pierre-Joseph Proudhon.

Marx did understand money both technically and as a social relationship masquerading as a thing. The starting point of Marx's theory of money is the observation that:

Gold becomes the measure of value, because all commodities measure their exchange values in gold, in proportion as certain quantity of gold and a certain quantity of the commodity contains the same amount of labour-time... (A CRITIQUE OF POLITICAL ECONOMY, loc cit, p. 75).

The function of money and its relationship to other economic categories can only be understood through the use of a Marxian labour theory of value and the rigorous analysis of the commodity which Marx undertook in the first five chapters of CAPITAL VOLUME 1. Under capitalism, the existence of money allows a comparison to be made between value-carrying commodities each containing socially necessary labour time. To understand money is to foremost understand that labour is the source of all social wealth.

Here is Marx criticising Proudhon but it could easily have been Professor Fergusson:

Money is not a thing, it is a social relation...If M. Proudhon had clearly ascertained this relation he would not have seen money as an exception, a member detached from a series, unknown or to be discovered...He would, on the contrary, have recognised that this relation is a link of, and as such, intimately attached to a whole chain of the other economic relations, and this relation corresponds to a determined mode of production... (THE POVERTY OF PHILOSOPHY Prometheus Books 1995 p. 8)

Professor Ferguson gives the impression that he has read Marx's work on capitalism although he only cites Marx three times in the index of his book. He might have a passing acquaintance with Marx's writings on money but he has clearly not understood him. He claims that Marx did not recommend the abolition of money (page 364) but in fact Marx did, first in the COMMUNIST MANIFESTO, where he wrote of "...the Communistic abolition of buying and selling..." and later in VALUE, PRICE AND PROFIT where he urged the working class to struggle for "...the ultimate abolition of the wages system...". There is a current trend to separate Marx the student of economics from Marx the Socialist revolutionary but it is a false dichotomy. Marx's analysis and critique of capitalism can lead only to a Socialist conclusion.

From Ashes to Ashes

Professor Fergusson is an admirer of Lady Thatcher, former Tory Prime Minister during the 1980's. It was Thatcher who coined the dogmatic phrase "*There is no alternative (to the market)*" and Fergusson agrees with her. His objective is to show the use of money and by extension capitalism will carry on forever into the future. He has no time for any counter argument and the Socialist case for the abolition of money, put consistently by the Socialist Party of Great Britain since 1904, is dismissed in his book in a couple of lines on page 17. The title of Fergusson's book is an allusion to Jacob Bronowski's television series THE ASCENT OF MAN; itself a nod towards Darwin's DESCENT OF MAN. Fergusson obviously does not understand Bronowski's irony. In Part 11 of Bronowski's series entitled, "*Knowledge or Certainty*", he describes the conflict between dogmatic claims to absolute knowledge, and scientific claims regarding inherently uncertain theory. The programme begins by showing a photograph of Stefan Borgrajewicz as an elderly man. At the end of the programme, after Bronowski shows us the ruins of Hiroshima and the ash-strewn pond of the concentration camp at Auschwitz, there follows an image of a younger man, with the name "*Borg-grajewicz, Stefan*" and the number 125558, a reference to his official record in the archives of Auschwitz.

Fergusson, like all free-market fundamentalists, possesses an arrogant certainty that capitalism is the last social system in human history. He has no time for Marx's critique of political economy underscored by his theory of history which points to a future where e-banking and credit cards are not the final stage in social evolution. His historical writings bear all the hall marks of the dogmatism and the shallowness of a closed mind.

Fools and fanatics are so certain of themselves. For Fergusson, the certainty he holds without question, is that there

will always be money, the buying and selling of commodities and a price mechanism informing the private ownership of the means of production and distribution. Fanatical fundamentalists like Fergusson, either religious or of the free market variety, are usually destroyed by the suppressed and guilty secret of self-doubt, although, judging by his interview in the DAILY TELEGRAPH (September 5th 2011) in which he paints himself as one of the cleverest historians on the planet, his enormous ego blocks out any chance of doubt entering into his thinking.

Unlike Marx –who’s favourite motto was doubt everything (*de omnibus dubitandum*), Ferguson totally dismisses the possibility of a future Socialist society. He has no imagination to conceive of a social system in which the means of production and distribution are held in common under democratic control and where there is no need for money; a world in which the free association of individuals would expend: “*their many different forms of labour power in full awareness as one single social labour force*” (Marx, CAPITAL VOLUME 1 page 171).

Arguments for the abolition of money are ridiculed by the Professor as the pursuit of cranks and eccentrics. Yet the abolition of money is central to Marx’s conception of Socialism in which there will be the abolition of buying and selling and money including the wages system.

And Marx was in good company. *The Red Republican* was a Chartist newspaper published from June 22nd 1850 to November 30th 1850 running for some 24 issues. It was founded by George Julian Harney after he was removed from editing the NORTHERN STAR. The newspaper published in November 1850 the first English translation by Helen Macfarlane of Marx and Engel’s COMMUNIST MANIFESTO. *The Red Republican* can be read at the Marx Memorial Library in Clerkenwell, London by arrangement with the Librarian.

Primitive Communism and the absence of money

Fergusson has to concede that societies once existed without recourse to money. However he gives a trite example from the Amazonian tribe, the Jivaro of Ecuador, to support his argument of the irresistible ascent of money. The tribe no longer lives in a moneyless hunter gatherer society but on State hand-outs which he sneeringly applauds as a positive step-up from primitive communism to the 21st century welfare state capitalism enjoyed by “*the feckless and the undeserving poor*” denigrated by Free Market think tanks like the Centre for Policy Studies.

For an understanding of why the Jivaro are forced to live on State hand-outs Fergusson should have read the ECONOMIST, no Socialist magazine. This is what the ECONOMIST reported:

Though half of Ecuador lies in the Amazon basin, its rainforest is shrinking faster than in neighbouring countries (by 1.67% a year). It has been ravaged by logging, poachers and oil extraction . . . Native tribes have been uprooted, forced deeper into the forest or have disappeared (TREES OR OIL July 4th 2009).

The ascent of money, like the ascent of man, as Bronowski, standing in a pool of human ash at Auschwitz knew only too well, comes with a human cost.

A recent ABC news item JJUNGLE JOURNEY; LIVING WITH AN ISOLATED AMAZON TRIBE (September 22nd 2008), reports on a moneyless tribal society, the Enawene Nawe, increasingly being decimated by the encroachment of capitalism. The same genocide of indigenous native populations is taking place elsewhere in the world as the scramble for mineral resources, oil, and timber take their toll on native tribes.

But there is still a positive side to the story. Here is what the ABC reporter said about the Enawene Nawe:

The Enawene Nawe don't have high technology or high finance (or last names or currency, for that matter), but they also don't have crime, poverty, hierarchy or drugs. Living here, you don't have to worry about losing your job, getting ahead or having as much stuff as your neighbour.

And outside the rarefied world of vulgar economics, disinterested writers have long given supporting evidence for moneyless primitive societies. As E. Tymoigne and L. R. Wray write:

In primitive societies, there is no notion of private property in the sense of ownership of the means of production (agricultural land, forests, fisheries) and so no possibility of a society based on barter (in the economic sense of the term) or commercial exchange: these are marketless economies. Redistribution (in the sense of a central institution that collects and allocates resources) is also nonexistent as the products of hunting and gathering are provided to everybody according to custom on the basis of needs and social status... (Money: An Alternative Story, University of Missouri-Kansas City, Working Paper No. 45, 2005, <http://www.cfeps.org/pubs/wp/wp45.htm>).

The Abolition of Money

Professor Fergusson, working within the shallow and apologetic framework of economic liberalism, uncritically celebrates the development and use of money associated with capitalism as the pinnacle of human evolution.

As Marx wrote of the economists who came after Smith and Ricardo:

“...the vulgar economists confine themselves to systematizing in a pedantic way, and proclaiming for everlasting truths, the banal and complacent notions held by the bourgeois agents of production about their own world, which is to them the best possible one” (CAPITAL VOLUME 1 page 175).

The abolition of money follows logically from the abolition of the wages system with its exploitive buying and selling of labour power. In a Socialist society free and voluntary labour would produce goods and services just to meet human need. Common ownership and democratic control of the means of production and distribution by all of society is a simple and rational proposition clouded by ruling class ideas which see greed as a defining feature of human nature and capitalism the best of all possible worlds.

This thinking is the twin mind-set of conservatism; a dark conservatism shared by all the capitalist political parties and their politicians, journalists and academics like Professor Ferguson. Human co-operation and social labour for the purpose of meeting human need should and can be the defining features of human beings. However, this requires conscious and political action by a Socialist majority. It requires the abolition of money and the abolition of the wages system.

In his latest book, CIVILIZATION: THE WEST AND THE REST (2011) –this time the title is an allusion to Lord Clark’s 1970’s programme of the same name - Ferguson mocks the “*few die-hard devotees of Karl Marx*” still ploughing their lonely furrow towards a moneyless society. At least it is a furrow without the presence of Niall Ferguson whose historiography only goes to confirm the observation that conservatism is the highest form of ignorance and the lowest form of thought.

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Collapse Theories of Capitalism

To frighten workers into believing that capitalism will either get worse and worse or will face some catastrophic disaster is bad politics. Workers cannot be terrified into becoming Socialists. Socialism requires reasoned thought and conscious deliberation not anger and fear.

Occasionally workers are told not to place their faith in capitalism because it is going to collapse or come to a grinding halt. The Revolutionary Communist Party (now Spiked, an on-line free-market libertarian group and one-time publishers of LIVING MARXISM), once favourably reviewed Henryk Grossman’s book THE LAW OF ACCUMULATION AND THE BREAKDOWN OF THE CAPITALIST SYSTEM (1929, republished by Pluto Press in 1992), which embraced a collapse theory of capitalism. For a critique of the book see SOCIALIST STUDIES No 8 by the reconstituted Socialist Party of Great Britain www.socialiststudies.org.uk

The Socialist Workers Party holds two types of collapse theory; one argues that crises are permanent and the other that crises are getting worse and worse.

In *THE ECONOMICS OF THE MADHOUSE* (1997) by Chris Harman, we are told of “*worsening crises*” (p.58) and “*deepening crises*” (p.59). In their book *THE LABOUR PARTY: A MARXIST HISTORY* (1996) Tony Cliff and Donny Gluckstein state that: “*The edifice of capitalism is rotten and crumbling. If it is not demolished it will cave in on all of us*” (p. 433). Likewise in his book *THE REVOLUTIONARY IDEAS OF KARL MARX* (1996), Alex Callinicos, a leading intellectual of the SWP writes: “*The problems generated during booms are no longer solved during slumps. So economic upswings are brief and feeble and uncertain, downswings protracted, deep and all embracing*” (p. 217-218). And in another pamphlet by Chris Harman, *HOW CAPITALISM WORKS* (1986) he remarks: “*capitalism itself faces the choice between permanent crises, which eventually will plunge humanity back into barbarism through poverty and war*”. Instead he offers the working class the State capitalism and dictatorship of the SWP, which is what “*socialism*” amounts to for this particular Trotskyist group.

There is, of course, no such thing as a “*permanent crisis*” and such a proposition appears nowhere in the Marx’s mature texts such as *CAPITAL* or *THEORIES OF SURPLUS VALUE*. The capitalist class and its politicians face no choices; they are stuck with the economic trade cycle but the working class do have a choice; a choice either to remain a subject and exploited class or to take conscious and political action and establish Socialism.

However (like other left wing parties), the SWP rejects the possibility of workers ever understanding the case for Socialism. Workers, for the SWP only ever march, shout out slogans or confront the State in a violent orgy of death and chaos. Socialist ideas, in the politics of the SWP, are too much for workers to consider. Instead, propaganda must terrify workers into angry action. In a climate of confusion workers are to cede their support from mainstream capitalist parties to the SWP leadership where they will be told what to think and how to act. Within the armoury of SWP’s deceitful politics “*ever worsening theories of capitalism*” are useful ploys to get the attention of non-Socialist workers.

Contemporary fallacies about the collapse of capitalism have their roots in the theories of the Second International. In *reform or revolution* (1900), a polemic against the revision of Marxism made by Eduard Bernstein, Rosa Luxemburg wrote: “*...the theory of capitalist collapse...is the cornerstone of scientific socialism...Without the collapse of capitalism the expropriation of the capitalist class is impossible...*” (p. 55). In Britain, the Social Democratic Party held the same doctrine (see *COMMERCIAL CRISES OF THE NINETEENTH CENTURY* by H. M. Hyndman).

Max Weber, a critic of social Democracy, summarised the faith placed by the Second International in the tendency of capitalism to get worse and worse through ever deeper economic crises. He wrote:

“*...classic socialism pinned its hopes on...crises. It hoped above all they, by their very nature, would increase in destructive power and intensity, producing a terrifying mood of revolution, that they would accumulate and increase and eventually create such a climate that the preservation of the existing economic system would no longer be attempted even in non-proletarian circles*”. *SOCIALISM: SPEECH FOR THE GENERAL INFORMATION OF AUSTRIAN OFFICERS IN VIENNA, 1918* (trans. D. Hytch).

Of course this was not the position of “classic socialism” but the wishful thinking of a discredited politics that had abandoned the conscious and political agency of working class for imposed leadership; support of capitalist wars and reformism in place of social revolution. It is ironic; too, that Weber’s lecture was to an officer corps who would embrace Hitler in 1938 and take part in the Wehrmacht which would contribute to the deaths of some 55 million people between 1939 and 1945.

Exporting fallacious theories

Collapse theories of capitalism were also part of the anti-working class politics of Lenin’s state capitalist Russia during the 1920’s. These erroneous theories about capitalism were uncritically exported around the world as can be seen by the following examples of the time.

In 1919 Herman Cahn published his COLLAPSE OF CAPITALISM in which he said that it could not be postponed any longer and was “*imminent*”.

Two years later Eugene Varga wrote:

“The period of economic upswing grow shorter and shorter, the crises become even longer and even deeper...”
(THE CRISES OF WORLD CAPITALISM, 1921).

In 1928 Varga wrote his equally flawed book, THE DECLINE OF CAPITALISM.

In 1922 William Paul, a prominent member of the communist Party, also wrote of the impending collapse of capitalism with the comment that:

“There is the greatest possibility that the social revolution may take place in the immediate future”.

Fritz Sternberg and Henryk Grossman both developed their own theories about the collapse of capitalism from a misreading of Marx’s scheme of expanded reproduction in the second volume of Capital. Fritz Sternberg accepted Rosa Luxemburg’s incorrect view that:

“Imperialism, i.e. the expansion of capitalism into non-capitalist territories, is an inherent necessity of capitalism, for should capitalism be not merely the dominant economic form but the sole economic form, then in a very short time it would have to disintegrate under its own economic contradictions” (IMPERIALISM, 1926).

And Grossman wrote:

“the question I shall examine is whether fully developed capitalism...contains the capacity to develop the process of reproduction indefinitely and on a continually expanding basis, or whether the process of expansion runs into limits of one sort or another, which it cannot overcome” (THE LAW OF CAPITAL ACCUMULATION loc. cit.).

Grossman concluded that the expansion of capitalism would run into limits, which it would be unable to overcome.

And in 1931, James Maxton of the Independent Labour Party said that it was only a matter of months but “*collapse is sure and certain*”.

In the climate of the time the publication in 1932 of WHY CAPITALISM WILL NOT COLLAPSE by the Socialist Party of Great Britain went against the political fashion of the time. Yet this thin white coloured pamphlet has been vindicated by history. It is a remarkable Marxian text and demonstrates the theoretical competence of the SPGB against the intellectuals of the Communist Party and the ILP who distorted Marx’s ideas for their own anti-working class ends.

Recurrent crises are a fact of life under capitalism and will continue to occur until the working class establish Socialism.

In the current crises there have been numerous commentators who have thought capitalism would collapse making matters worse by evoking the name of Marx. In his book, BUSINESS AS USUAL: THE ECONOMIC CRISIS AND THE FAILURE OF CAPITALISM (2011) Paul Mattick, a philosopher at Adelphi University in New York erroneously claimed that “*Marx argued that capitalism’s basic structure...would eventually bring the downfall of the system*” (p.31), when Marx said no such thing. Another American, Richard Heinberg, in his book, THE END OF GROWTH (2011), believes capitalism has stagnated never to return to its 2007 levels of growth that characterised the last boom. And the film producer, Michael Moore believed the economic crisis was “*The end of capitalism as we know it*”; a case of wishful thinking and the inability of Moore to think of a practical Socialist alternative.

Finally there is Marx. Nowhere did Marx ever state that capitalism would collapse under the weight of its own contradictions. In fact, Marx in THEORIES OF SURPLUS VALUE stated that “*there are no permanent crises*”

(VOLUME II, Part II, p. 269). This comment on crises was written by Marx as part of extensive notes between January 1862 and July 1863. Marx never changed his mind. This was his mature view. Rejecting fatalism and determinism, Marx placed his confidence in the working class to act in its own interest and for itself.

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How Much Do Strikes Achieve?

The view held by some trade unionists and by organisations like the SWP that militancy is the key that opens all doors for the working class. The argument is deceptively simple: as strikes can gain wage increases more and larger strikes will gain more increases, seemingly without limit. How far is this true? There is plenty of past and current evidence to on though, and as will be seen, some of it is open to misrepresentation.

When Marx wrote about the question of strike action more than a century ago he did not share the “*militant*” view about the extent to which trade union pressure could raise wages. In his VALUE, PRICE AND PROFIT for example (Chapters IV and XIV) and in WAGE-LABOUR AND CAPITAL (p.35 in the Whitehead edition) he took a somewhat pessimistic line based on his understanding of how capitalism works. While urging resistance to the efforts of employers to depress wages he thought it was largely a defensive struggle, with only occasional opportunities for the workers to secure “*temporary improvement*”.

Marx’s view was that the times when the workers can hope to gain an improvement were when the capitalists were doing well, expanding production and accumulating capital. In the reverse phase of the “trade cycle”, with sales and profits falling and unemployment rising, he thought the workers could do little.

“The relations between the supply and demand of labour power undergo perpetual change, and with them the market of labour-power. If the supply overshoots the demand wages sink, although it might in such circumstances be necessary to test the real state of demand and supply by a strike, for example, or any other method”.

To bring this statement into harmony with the present period of fast-rising prices it has to be remembered that though money wages do not now sink, a pay increase which does not keep up with the cost of living represents a fall of “*real wages*”, i.e. a fall in purchasing power.

The Failure of Past Strike Action

It will be noticed that Marx talked of “*testing*” the situation when trade is bad. The militants, like the SWP, reject this. They think that if enough workers strike they can make big gains in spite of adverse conditions. As regards past experience the evidence is all against the militants’ case. Apart from 1921 and 1926, the record number of days lost through strikes was in 1893, when the total was over 30 million. This included Lancashire cotton workers who were out for five months along with 400,000 miners. Both strikes failed and wages generally did not rise.

Another outstanding example was the ten years 1921-1930. Unemployment was high, trade was bad and prices were falling – in all by 30 per cent. In those years, which included the General Strike of 1926, the number of days lost by strikes and lockouts averaged 31 million a year, but the strikes completely failed to prevent wages also falling by about 30 per cent.

In more recent times 29.9 million days were lost in the so-called winter of discontent in 1979 which resulted in 18 years of Tory government and the disastrous miner’s strike of 1984 when 27.1 million days were lost and within a decade most of the mines were closed.

Discontent & Resistance

The question arises to what extent experience of strikes today differ from the past. Various changes have taken place since the late 19th century and first two decades of the 20th century. There are more trade unionists, though still only a minority of the workers and workers on strike instead of depending entirely on their own resources and trade union and benefit society funds can now get Social Security payments for their families. There is also a raft of anti-trade union legislation enacted by the Tory government of the 1980's; strikes are more disruptive and inconvenient and employers are increasingly using the courts to prevent them occurring on legal technicalities.

British capitalism in the past three years has been in depression with unemployment at one point topping 2.47 million. 455,000 working days were also lost to industrial action in 2009 a marked increase on 2008 but a fraction of days lost during the 1970's and 1980's reflecting weakness in the trade Union movement for prolonged strike action.

However, it would be wrong to suppose that the recent greater increase in strike action is a reflection of workers' discontent but is also a reflection of stronger and better organized resistance by employers like British Airways. It is a truism that the most successful strike is the one that never happens because when trade is brisk employers may yield to the mere threat of a strike interrupting production and profits.

In recent years, with sales falling off, employers have taken a tougher line because they stand to lose less when trade is slack than when they have full order books and are hard pressed to meet delivery dates.

Thinking Politically

What then has been the outcome of the big increase in strikes? The current depression presents workers with a problem in maintaining real wages. The employers and their political agents know this and will exploit it to their own benefit.

Geoff Dicks, one of the three members of the Office for Budget Responsibility (OBR), told MPs in July 2010 that British capitalism will experience "*falling real wages*" as pay rises fail to keep pace with inflation (DAILY TELEGRAPH July 21st 2010).

Public sector workers have already had their pay frozen for the next two years, while many private sector workers have had to accept similar deals or part time work in order to preserve their jobs.

Geoff Dicks went on to say:

"One statistic that really impresses me is that job losses in this recession from peak to trough were 740,000...In the recession of the 1990s, it was an extra million. In the 1980s, an extra million."

Workers have been kept in jobs as many companies managed through the depression by cutting and freezing wages or moving staff to shorter hours. It is doubtful if these workers were impressed with their economic position but then Geoff Dicks is a cheerleader for the capitalist class and avid devotee of economic liberalism which has at its core a belief in a "*flexible*" labour market.

In the same newspaper report John Philpott, chief economic adviser at the Chartered Institute of Personnel and Development, said:

"Employers will work those people harder during initial phase of recovery; to reduce unit labour costs...We're starting to see some of that already."

Mr Philpott concluded that as workers return to full time work they are likely to be asked to work harder. The economic struggle by workers to either maintain or increase their wages is, as Marx noted over a century ago, a defensive struggle on a playing field which favours the capitalist class.

To resist the intensity of exploitation and to maintain real wages against inflation workers will have no choice but to struggle for higher wages even if this means using the strike weapon. The strike, during an economic depression,

though, is a blunt instrument to wield. It is difficult to use the strike to gain more pay when production is being curtailed, workers being laid off and the business facing bankruptcy.

A searching question has to be asked by workers. In the long term what has the day to day class struggle really achieved for the working class? Higher pay and better working conditions still keeps the workers within the exploitive wages system. The economic struggle is merely defensive, takes up great deal of energy and time in order just to keep pace with changing events. Workers are always at the mercy of adverse economic conditions or intransigent employers and their State. And success often turns into failure with gains made today lost tomorrow.

Workers should understand the severe limitations placed on the defensive nature of trade union action. Instead, workers should think and act politically. The class struggle has to be a political struggle or it is nothing. And that means workers taking conscious and political action in a principled Socialist Party to replace capitalism with Socialism.

BEANO ECONOMICS & STRIKING BEES

Apparently, Marx wrote off the ECONOMIST Magazine as “*the capitalist class talking to itself*”. You have to be desperate to buy and read the ECONOMIST; either having to do A level Economics or worse still studying for a degree in the subject.

One of our late comrades, Ken Knight, who taught economics at what was once Hatfield Polytechnic, now the University of Hertfordshire, would tell his students that he disagreed with everything he taught them but if they stayed the course they would pass their examination. Economics was then as it is now a theoretical justification for capitalism or a passport for a job.

Better spend hard earned money on THE BEANO. The economics of the BEANO is more entertaining than the Economist: “*Why did the bees go on strike? For more honey and shorter flowers*”. The joke was written by a six year old for the magazine showing more insight into the workings of capitalism than professors of economics.

There might be some truth in striking bees. Here is TODAY'S ZAMAN published in Turkey. 25th October 2010. The harvest of natural Kaçkar honey, which is produced in Rize's Kaçkar Mountains, has plunged by nearly 50 percent during the year, despite an increase of 40 percent in the number of beehives, General Manager of Topuy Kaçkar Remzi Özbay has said. In a written statement on Sunday Özbay said the drop in the quantity was dramatic, despite the proper climate conditions and the abundance of flowers in the region, and blamed the deterioration of the natural balance ensued by the over-exploitation of pesticides in agricultural production. “*The bees are on a veritable strike, so to say,*” he noted in the statement. Quite so.

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Object and Declaration of Principles

Object

The establishment of a system of society based upon the common ownership and democratic control of the means and instruments for producing and distributing wealth by and in the interest of the whole community.

Declaration of Principles

THE SOCIALIST PARTY OF GREAT BRITAIN HOLDS:

1. That society as at present constituted is based upon the ownership of the means of living (ie land, factories, railways, etc.) by the capitalist or master class, and the consequent enslavement of the working class, by whose labour alone wealth is produced.
2. That in society, therefore, there is an antagonism of interests, manifesting itself as a class struggle, between those who possess but do not produce and those who produce but do not possess.
3. That this antagonism can be abolished only by the emancipation of the working class from the domination of the master class, by the conversion into common property of society of the means of production and distribution, and their democratic control by the whole people.
4. That as in the order of social evolution the working class is the last class to achieve its freedom, the emancipation of the working class will involve the emancipation of all mankind without distinction of race or sex.
5. That this emancipation must be the work of the working class itself.
6. That as the machinery of government, including the armed forces of the nation, exists only to conserve the monopoly by the capitalist class of the wealth taken from the workers, the working class must organise consciously and politically for the conquest of the powers of government, national and local, in order that this machinery, including these forces, may be converted from an instrument of oppression into the agent of emancipation and the overthrow of privilege, aristocratic and plutocratic.
7. That as all political parties are but the expression of class interests, and as the interest of the working class is diametrically opposed to the interests of all sections of the master class, the party seeking working class emancipation must be hostile to every other party.
8. The Socialist Party of Great Britain, therefore, enters the field of political action determined to wage war against all other political parties, whether alleged labour or avowedly capitalist, and calls upon the members of the working class of this country to muster under its banner to the end that a speedy termination may be wrought to the system which deprives them of the fruits of their labour, and that poverty may give place to comfort, privilege to equality, and slavery to freedom.

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